Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 DOTE-00 DODE-00 PA-04 USIA-15

PRS-01 SP-03 TRSE-00 OMB-01 L-03 AID-20 AGR-20 DRC-01

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R 242120Z APR 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6896

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

CONFIDENTIAL TEGUCIGALPA 1707

E.O. 11652: N/A

TAGS: PINT, ELAB, HO

SUBJECT: TRANSPORTATION NEGOTIATIONS

REF: TEGUCIGALPA (A) 1233, (B) 1347, (C) 1537

BEGIN SUMMARY: THE JOINT COMMISSION ESTABLISHED BY THE GOH TO NEGOTIATE WITH THE "CONSOLIDATED DEFENSE COMMITTEE FOR LAND TRANSPORT" IS STILL IN SESSION BUT TRANSPORTATION LEADERS SAY THAT LITTLE HAS BEEN ACCOMPLISHED. THE THREAT OF A GENERAL TRANSPORTATION STRIKE INVOLVING THE GREAT MAJORITY OF HONDURAS' BUSES, TRUCKS AND TAXIS IN THE NEAR FUTURE STILL EXISTS. END SUMMARY.

1. RUBEN SOLANO DIAZ, ONE OF THE LEADERS OF THE
"CONSOLIDATED DEFENSE COMMITTEE FOR LAND TRANSPORT,"
SPOKE WITH EMBOFF APRIL 23. ACCORDING TO SOLANO, THE
NEGOTIATIONS WITH THE GOH CONTINUE BUT ARE NOT PRODUCTIVE.
MOST OF THE POINTS OF CONTENTION ARE BEING STUDIED BY
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SUBCOMMITTEES AND NO AGREEMENT ON FUNDAMENTAL POINTS HAS

BEEN REACHED. SOLANO CLAIMS TO BE INCREASINGLY PESSIMISTIC ABOUT THE CHANCES OF RESOLUTION OF THE DISPUTE SHORT OF A GENERAL TRANSPORTATION STRIKE. PEDRO CASTELLON, WHO HAS ALSO BEEN PARTICIPATING IN THE NEGOTIATIONS, HAS BEEN IN SAN PEDRO SULA FOR THE PAST WEEK MAKING PREPARATIONS FOR A STRIKE. SOLANO CREDITS THE MILITARY MEMBERS OF THE NEGOTIATING TEAM WITH GOOD FAITH AND SAYS THAT PROGRESS IS BEING PREVENTED BY THE GOH CIVILIAN NEGOTIATORS, PARTICULARLY BY COMMUNICATION AND TRANSPORT MINISTRY REPRESENTATIVE BOTTAZZI.

- 2. SOLANO CREDITS MINGOV MELGAR WITH RESOLVING RECENT IMPASSE BY AGREEING TO PERSONALLY SEND PRIVATE SECTOR DRAFT TRANSPORTATION LAW TO COUNCIL OF MINISTERS. THE COUNCIL WILL HAVE FOR ITS CONSIDERATION THE BOTTAZZI DRAFT, THE PRIVATE SECTOR DRAFT, AND THE BONZALEZ DRAFT LEFT OVER FROM THE CRUZ GOVERNMENT.
- 3. ACCORDING TO SOLANO, THE MAIN UNRESOLVED QUESTIONS ARE:
- A. A ROLLBACK OF GASOLINE PRICES FOR ALL COMMERCIAL TRANSPORTATION;
- B. THE ESTABLISHMENT OF STANDARD FREIGHT RATES BASED ON MILEAGE AND WEIGHT;
- C. A METHOD TO CONTROL PRICES OF SPARE PARTS;
- D. ESTABLISHMENT OF GASOLINE FREIGHT CHARGES BETWEEN THE PUERTO CORTES REFINERY AND TEGUCIGALPA AT 10 CENTAVOS (5 U.S. CENTS) PER GALLON.

ITEM D. ABOVE STEMS FROM A CRUZ GOVERNMENT DECREE ESTABLISHING THE 10 CENTAVO RATE. SINCE THE LOPEZ COUP THE COMPANIES HAVE BEEN PAYING 6 OR 7 CENTAVOS. THE TRUCKERS WANT THE GOH TO ENFORCE THE CRUZ DECREE, WHICH THEY CLAIM IS STILL VALID. SOLANO SAYS THIS IS THE MOST DANGEROUS QUESTION AT THE MOMENT. THE PETROLEUM TRUCKERS ARE DISPOSED TO STRIKE IF THE QUESTION IS NOT RESOLVED QUICKLY AND ALL OTHER TRANSCONFIDENTIAL

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PORTATION WILL GO OUT IMMEDIATELY IN AS ESTURE OF SOLIDARITY.

4. SOLANO CLAIMED THAT ANOTHER DANGER EXISTED IN THE POSSIBILITY OF A GENERAL LABOR STRIKE TO SUPPORT THE STANDARD FRUIT CO. UNION, SUTRAFSCO (SEE REFTEL C). HE FEARS THAT IF A GENERAL STRIKE IS CALLED TO SUPPORT SUTRAFSCO, ONE OF THE LABOR MOVEMENT'S CONDITIONS FOR

ENDING THE STRIKE WOULD BE GOH ACCEPTANCE OF THE BOTTAZZI TRANSPORTATION LAW. IF A GENERAL LABOR STRIKE IS CALLED, A GENERAL TRANSPORTATION STRIKE WILL IMMEDIATELY FOLLOW.

- 5. SOLANO SAYS THAT ALTHOUGH IT IS DIFFICULT TO MAINTAIN DISCIPLINE IN THE CURRENT ENVIRONMENT, HIS GROUP WILL NOT FIX A DEADLINE BECAUSE THIS WOULD GIVE THE GOH ADVANCE NOTICE OF A STRIKE. HOWEVER, HE DOUBTS THAT A STRIKE CAN BE PUT OFF BEYOND MAY 15 IN THE ABSENCE OF REAL PROGRESS.
- 6. COMMENT: SOLANO WAS LESS IMPASSIONED THAN DURING HIS FIRST VISIT

WITH EMBOFFS ALMOST ONE MONTH AGO, BUT HE WAS NOTABLY MORE PESSIMISTIC ABOUT THE EVENTUAL OUTCOME OF THE NEGOTIATIONS. HE HAS LOST FAITH IN THE GOOD WILL OF THE CHIEF OF THE SECOND MILITARY ZONE, COLONEL GARCIA, AND DESCRIBED HIS PARTICIPATION IN THE TALKS AS BEING NOTHING BUT POLITICS. HE DISMISSED POSSIBLE INTERVENTION BY CHIEF OF STATE LOPEZ AS NOT LIKELY AND CALLED THE GENERAL A NO ACCOUNT DRUNKARD. BY THE END OF THE CONVERSATION HE HAD CONVINCED HIMSELF THAT THE LABOR MOVEMENT WULD CALL FOR A GENERAL STRIKE MAY 1 AND THAT THE TRANSPORTATION STRIKE WOULD INEVITABLY FOLLOW.

7. SOLANO WAS OBVIOUSLY WORN DOWN FROM CARRYING THE NEGOTIATING BURDENS ALONE AND HIS PESSIMISM MAY HAVE BEEN GREATER THAN THE SITUATION ACTUALLY MERITS. HOWEVER, THE CONVERSATION DID SERVE TO CONFIRM THE EMBASSY'S EARLIER IMPRESSION THAT THE TRANSPORTATION COMMITTEE IS SERIOUS AND THAT THE THREAT OF A STRIKE IS REAL. SANCHEZ

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